



February 22, 2002

ENGROSSED SENATE BILL No. 173

DIGEST OF SB 173 (Updated February 20, 2002 6:20 PM - DI 92)

Citations Affected: IC 10-1; noncode.

Synopsis: State police disability pension. Authorizes the state police department (ISP) to establish disability expense reimbursements and disability pensions for employee beneficiaries who incur disabilities: (1) in the line of duty; and (2) not in the line of duty. Authorizes the ISP to seek rulings from the Internal Revenue Service as to the federal tax treatment for the line of duty disability benefits. Provides for a waiver of tuition and mandatory fees at any state supported college, university, or technical school for the child or spouse of a regular, paid ISP police employee who has been permanently and totally disabled by a catastrophic personal injury that was sustained in the line of duty and permanently prevents the employee from performing any gainful work. Provides a disability pension in lieu of the regular disability pension to a regular paid police employee of the state police department who is permanently and totally disabled by a catastrophic personal injury sustained in the line of duty after January 1, 2001 that prevents the employee from performing any gainful work. Provides that the pension is equal to the employees regular salary at the commencement of the disability. Provides that the pension must be increased at a rate equal to any salary increases that the employee would have received had the employee remained in active service. (The introduced version of this bill was prepared by the pension management oversight commission.)

Effective: July 1, 2002.

**Harrison, Lutz L, Hershman, Antich,
Meeks C, Wyss**

(HOUSE SPONSORS — KROMKOWSKI, BUELL)

January 7, 2002, read first time and referred to Committee on Pensions and Labor.
January 22, 2002, reported favorably — Do Pass.
January 28, 2002, read second time, amended, ordered engrossed.
January 29, 2002, engrossed.
January 31, 2002, read third time, passed. Yeas 50, nays 0.

HOUSE ACTION

February 5, 2002, read first time and referred to Committee on Ways and Means.
February 21, 2002, amended, reported — Do Pass.

ES 173—LS 6320/DI 102+



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February 22, 2002

Second Regular Session 112th General Assembly (2002)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2001 General Assembly.

ENGROSSED SENATE BILL No. 173

A BILL FOR AN ACT to amend the Indiana Code concerning pensions.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 10-1-1.9-10 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2002]: **Sec. 10. "Supplementary trust agreement" means an**
4 **agreement that has the force and effect of law between the**
5 **department and the trustee concerning the police benefit fund (as**
6 **described in IC 10-1-2-6).**

7 SECTION 2. IC 10-1-2-4 IS AMENDED TO READ AS FOLLOWS
8 [EFFECTIVE JULY 1, 2002]: Sec. 4. (a) As used in this section, the
9 "Americans with Disabilities Act" means the Americans with
10 Disabilities Act (42 U.S.C. 12101, et seq.) and the regulations and
11 amendments related thereto.

12 (b) Authority is hereby granted to the department to establish,
13 operate, and make necessary contributions to a disability reserve
14 account for the payment of disability expense reimbursement and
15 pension to disabled employee beneficiaries. **The department also may**
16 **do the following:**

17 **(1) Establish, under the terms of a supplementary trust**

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1 agreement, disability expense reimbursements and disability
 2 pensions to be paid to employee beneficiaries who incur a
 3 disability in the line of duty.

4 (2) Establish, under the terms of a supplementary trust
 5 agreement, disability expense reimbursements and disability
 6 pensions to be paid to employee beneficiaries who incur a
 7 disability not in the line of duty.

8 (3) Seek rulings from the Internal Revenue Service as to the
 9 federal tax treatment for the line of duty disability benefits
 10 authorized by this section.

11 Except as provided in subsection (e), no monthly disability pension
 12 shall exceed the maximum basic pension amount. However, in the case
 13 of disability incurred in line of duty, such employee beneficiary may
 14 receive not more than forty dollars (\$40) per month for each dependent
 15 parent and dependent child less than eighteen (18) years of age, in
 16 addition to the monthly disability pension payment under this chapter.
 17 Time in disability pension status shall be deemed qualifying active
 18 service for purposes of calculating retirement pension. ~~and retirement~~
 19 ~~pension contributions in the amount prevailing at the commencement~~
 20 ~~of disability leave shall be withheld from monthly disability pension~~
 21 ~~payments rather than from wages for the duration of disability leave.~~

22 (c) This section shall be administered in a manner that is consistent
 23 with the Americans with Disabilities Act, to the extent required by such
 24 act.

25 (d) A disability payment made under this chapter is worker's
 26 compensation in lieu of a payment under IC 22-3-2 through IC 22-3-7.

27 (e) **A regular, paid police employee of the state police**
 28 **department who is permanently and totally disabled by a**
 29 **catastrophic personal injury that:**

30 (1) is sustained in the line of duty after January 1, 2001; and

31 (2) permanently prevents the employee from performing any
 32 gainful work;

33 shall receive a disability pension equal to the employee's regular
 34 salary at the commencement of the disability. The disability
 35 pension provided under this subsection is provided instead of the
 36 regular monthly disability pension. The disability pension provided
 37 under this subsection must be increased at a rate equal to any
 38 salary increases the employee would have received if the employee
 39 remained in active service.

40 SECTION 3. IC 10-1-2-11 IS ADDED TO THE INDIANA CODE
 41 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 42 1, 2002]: **Sec. 11. The child or spouse of an employee beneficiary**



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1 who has been permanently and totally disabled by a catastrophic
2 personal injury that was sustained in the line of duty and
3 permanently prevents the employee beneficiary from performing
4 any gainful work may not be required to pay tuition or mandatory
5 fees at any state supported college, university, or technical school,
6 if:

- 7 (1) the child is less than twenty-three (23) years of age and is
8 a full-time student pursuing a prescribed course of study; or
9 (2) the spouse is pursuing a prescribed course of study toward
10 an undergraduate degree.

11 SECTION 4. [EFFECTIVE JULY 1, 2002] IC 10-1-2-11, as added
12 by this act, applies to the child or spouse of a regular, paid police
13 employee of the state police department if the regular police
14 employee of the state police department was permanently and
15 totally disabled by a catastrophic personal injury that:

- 16 (1) was sustained in the line of duty; and
17 (2) permanently prevents the employee from performing any
18 gainful work;

19 before, on, or after July 1, 2002.

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SENATE MOTION

Mr. President: I move that Senator Lutz L be added as second author of Senate Bill 173.

HARRISON

SENATE MOTION

Mr. President: I move that Senators Hershman and Antich be added as coauthors of Senate Bill 173.

HARRISON

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COMMITTEE REPORT

Mr. President: The Senate Committee on Pensions and Labor, to which was referred Senate Bill No. 173, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is made to Senate Bill 173 as introduced.)

HARRISON, Chairperson

Committee Vote: Yeas 9, Nays 0.

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SENATE MOTION

Mr. President: I move that Senator Meeks C be added as coauthor of Senate Bill 173.

HARRISON

 SENATE MOTION

Mr. President: I move that Senate Bill 173 be amended to read as follows:

Page 2, line 27, delete "IC 20-12-19.5-3" and insert "IC 10-1-2-11".

Page 2, line 29, delete "Sec. 3." and insert "**Sec. 11.**".

Page 2, line 29, delete "a".

Page 2, line 30, delete "regular, paid police" and insert "**an**".

Page 2, line 30, delete "of the state police department" and insert "**beneficiary**".

Page 2, line 33, after "employee" insert "**beneficiary**".

Page 2, line 40, delete "IC 20-12-19.5-3," and insert "**IC 10-1-2-11,**".

(Reference is to SB 173 as printed January 23, 2002.)

HARRISON

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SENATE MOTION

Mr. President: I move that Senator Wyss be added as coauthor of Engrossed Senate Bill 173.

HARRISON

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Senate Bill 173, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, line 11, delete "No" and insert **"Except as provided in subsection (e), no"**.

Page 2, between lines 26 and 27, begin a new paragraph and insert:

"(e) A regular, paid police employee of the state police department who is permanently and totally disabled by a catastrophic personal injury that:

- (1) is sustained in the line of duty after January 1, 2001; and**
- (2) permanently prevents the employee from performing any gainful work;**

shall receive a disability pension equal to the employee's regular salary at the commencement of the disability. The disability pension provided under this subsection is provided instead of the regular monthly disability pension. The disability pension provided under this subsection must be increased at a rate equal to any salary increases the employee would have received if the employee remained in active service."

and when so amended that said bill do pass.

(Reference is to SB 173 as reprinted January 29, 2002.)

BAUER, Chair

Committee Vote: yeas 23, nays 0.

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